



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission in Part, and Intent to Rescind in Part; 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers/exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) January 1, 2018 through December 31, 2018. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Jason Willoughby, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5509.

SUPPLEMENTARY INFORMATION:

Background

On October 7, 2019, Commerce published a notice of initiation of an administrative review of the countervailing duty order on passenger tires from China.<sup>1</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.<sup>2</sup> On June 18, 2020, Commerce extended the deadline for the preliminary results of this review by 117 days.<sup>3</sup> On

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 53411 (October 7, 2019). (*Initiation Notice*).

<sup>2</sup> See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

<sup>3</sup> See Memorandum, "Extension of Deadline for Preliminary Results," June 18, 2020.

July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.<sup>4</sup> Accordingly, the deadline for the preliminary results of this review was postponed to December 15, 2020.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>5</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the *Order*<sup>6</sup>

The products covered by the *Order* are certain passenger vehicle and light truck tires from China. For a complete description of the scope, see the Preliminary Decision Memorandum.

#### Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. We received timely withdrawals of the requests for review, for which no other parties requested a review, for the following companies: Cooper

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<sup>4</sup> See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

<sup>5</sup> See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China; and Rescission, in Part, 2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>6</sup> See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*Order*).

(Kunshan) Tire Co., Ltd.; Haohua Orient International Trade Ltd.; Qingdao Keter International Co., Limited; Qingdao Lakesea Tyre Co., Ltd.; Qingdao Odyking Tyre Co., Ltd.; Qingdao Sentury Tire Co. Ltd.; Riversun Industry Limited; Safe & Well (HK) International Trading Limited; Shandong Guofeng Rubber Plastics Co., Ltd.; Shandong Hengyu Science & Technology Co., Ltd.; Shandong Linglong Tyre Co., Ltd.; Shandong New Continent Tire Co., Ltd.; Shandong Wanda Boto Tyre Co., Ltd.; Shandong Yongsheng Rubber Group Co., Ltd.; Shouguang Firemax Tyre Co., Ltd.; Windforce Tyre Co., Limited; and Zhaoqing Junhong Co., Ltd..<sup>7</sup> Therefore, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to these companies.

#### Intent to Rescind Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.<sup>8</sup> Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.<sup>9</sup> Therefore, for an administrative review of a

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<sup>7</sup> See Haohua Orient International Trade Ltd., Qingdao Lakesea Tyre Co., Ltd., Riversun Industry Limited, Safe & Well (HK) International Trading Limited, and Windforce Tyre Co., Limited's Letter, "Passenger Vehicle and Light Truck Tires from the People's Republic of China Withdrawal of Request for Review," dated October 9, 2019; Shandong Guofeng Rubber Plastics Co., Ltd.'s Letter, "Passenger Vehicle and Light Truck Tires from People's Republic of China: Withdrawal of Request for Administrative Review," dated November 1, 2019; ITG Voma Corporation's Letter, "Passenger Vehicle and Light Truck Tires from People's Republic of China: Withdrawal of Request for Administrative Review," dated November 1, 2019; Shandong New Continent Tire Co., Ltd., Qingdao Sentury Tire Co. Ltd., and Shandong Linglong Tyre Co., Ltd.'s Letter, "New Continent, Sentury, & Linglong Withdrawal of Review Request in POR 4 of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires ("PVLT") From the People's Republic of China (C-570-017)," dated November 8, 2019; Zhaoqing Junhong Co., Ltd.'s Letter, "Passenger Vehicle and Light Truck Tires from the People's Republic of China Withdrawal of Request for Review," dated December 6, 2019; Cooper Tire & Rubber Company and its wholly-owned subsidiary, Cooper (Kunshan) Tire Co., Ltd.'s Letter, "Passenger Vehicle And Light Truck Tires from the People's Republic of China: Withdrawal Of Request For 2018 Administrative Review Of CKT," dated December 23, 2019; Qindao Keter International Co., Limited, Qingdao Odyking Tyre Co., Ltd., Shandong Hengyu Science & Technology Co., Ltd., Shandong Yong Sheng Rubber Group Co., Ltd., and Shouguang Firemax Tyre Co., Ltd.'s Letter, "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China – Withdrawal of Request for Administrative Review," dated January 2, 2020; and Shandong Wanda Boto Tyre Co., Ltd.'s Letter "Passenger Vehicle and Light Truck Tires from People's Republic of China: Withdrawal of Request for Administrative Review," dated January 6, 2020.

<sup>8</sup> See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); see also *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

<sup>9</sup> See 19 CFR 351.212(b)(2).

company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate calculated for the review period.<sup>10</sup>

According to the CBP import data, three of the six companies subject to this review, which were not chosen as mandatory respondents and which did not withdraw their review requests, did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR by these three companies, we intend to rescind this administrative review, with respect to these three companies, in accordance with 19 CFR 351.213(d)(3).<sup>11</sup>

#### Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). In reaching these preliminary results, Commerce relied on facts otherwise available, with the application of adverse inferences.<sup>12</sup> For further information, *see* “Use of Facts Otherwise Available and Application of Adverse Inferences” in the accompanying Preliminary Decision Memorandum.

#### Preliminary Rate for Companies Not Selected for Individual Review

To determine the rate for companies not selected for individual examination in administrative reviews, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available. In this review, we preliminarily calculated rates based entirely on facts available for each of the mandatory respondents during the POR. In countervailing duty administrative reviews, where the number of respondents being individually examined has been limited,

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<sup>10</sup> *See* 19 CFR 351.213(d)(3).

<sup>11</sup> These three companies are: Hankook Tire China Co., Ltd.; Qingdao Fullrun Tyre Tech Corp., Ltd.; and Qingdao Powerich Tyre Co., Ltd. Note that Qingdao Fullrun Tyre Tech Corp., Ltd. was incorrectly identified as Qingdao Fullrun Tech Tyre Corp., Ltd. in the *Initiation Notice*.

<sup>12</sup> *See* section 776 of the Act.

Commerce has determined that a “reasonable method” to determine the rate applicable to companies that were not individually examined when all the rates of selected mandatory respondents are zero, *de minimis*, or based entirely on adverse facts available is to assign to the non-selected respondents the average of the most recently determined rates that are not zero, *de minimis*, or based entirely on facts available.<sup>13</sup> However, if a non-selected respondent has its own calculated rate that is contemporaneous with or more recent than such previous rates, Commerce has found it appropriate to apply that calculated rate to the non-selected respondent, even when that rate is zero or *de minimis*.<sup>14</sup>

With regard to the three remaining non-selected companies, which have no prior individual rates from prior segments, we are assigning the rate of 20.05 percent *ad valorem*, which is the average of the above-*de minimis* rates calculated in the last review.

#### Preliminary Results of Review

We preliminarily determine the following net countervailable subsidy rates for the period January 1, 2018 through December 31, 2018:

<b>Producers/Exporters</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Shandong Duratti Rubber Corporation Co. Ltd.	116.50
Shandong Longyue Rubber Co. Ltd.	116.50
Shandong Anchi Tyres Co., Ltd	116.50
Triangle Tyre Co. Ltd.	116.50

#### **Review-Specific Average Rate Applicable to the Following Companies:**

Jiangsu Hankook Tire Co., Ltd	20.05
Qingdao Fullrun Tyre Corp., Ltd.	20.05

<sup>13</sup> See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Rescission of Countervailing Duty Administrative Review, in Part*, 79 FR 51140 (August 27, 2014); see also *Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying Issues and Decision Memorandum at “Non-Selected Rate.”

<sup>14</sup> *Id.*

### Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2018 through December 31, 2018, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

### Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Public Comment

Interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs. Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs.

Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>15</sup> All briefs must be filed electronically using ACCESS.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice. Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Issues addressed at the hearing will be limited to those raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.

An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>16</sup>

Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1), unless this deadline is extended.

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<sup>15</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>16</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements); *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: December 14, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.



## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Partial Rescission of Review
- IV. Intent to Rescind Administrative Review, In Part
- V. Rate for Non-Selected Companies Under Review
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- VIII. Conclusion

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